

# County of San Luis Obispo

COURTHOUSE ANNEX / SAN LUIS OBISPO, CALIFORNIA 93408 / 805-543-1550, EXT. 201



TO: BOARD OF SUPERVISORS  
FROM: DONALD D. STILWELL, COUNTY ADMINISTRATOR  
DATE: MAY 24, 1978

INSTITUTE OF GOVERNMENTAL  
STUDIES  
OFFICE OF THE  
COUNTY ADMINISTRATOR

JUN 16 1978

UNIVERSITY OF CALIFORNIA

SUBJECT: ANALYSIS OF THE IMPACT OF PROPOSITION 13 ON COUNTY DEPARTMENTS AND PROGRAMS

Last February, our office presented your Board a preliminary fiscal analysis of the impact of Proposition 13 on County departments. That report was circulated to all departments so that they could assess the impact of the initiative on current services to the public. Attachment A summarizes those impacts.

## I. REVIEW OF FISCAL ASSUMPTIONS

Before summarizing the major impacts which department managers have identified, a review of the fiscal assumptions is in order.

### 1. Tax Levy-Available Funding

We have assumed that the County would continue to receive approximately 30% of the total property taxes raised in the County. Applying a tax rate of 1% of the market value to all real property on the 1975-76 tax rolls, as called for in the initiative, we calculate a total available property tax levy of \$20.7 million. Of this amount, we assume the County would receive \$6.3 million or a decrease of \$11.4 million. This amounts to a decrease of 65%.

The initiative is not precise on the allocation of available property tax revenue among cities, school districts, special districts and the County. The resolution of this question will be the first order of business if the initiative succeeds.

### 2. Departmental Budget Reductions

We have assumed that budget reductions would be spread proportionately among the departments except for certain health and welfare programs. As will be discussed later, this approach ignores whether a department's programs are mandated or whether the programs tend to "pay their own way." We feel that both of these factors should be considered in allocating funds if the initiative succeeds.





### 3. Replacement Revenues

It has been assumed that no supplemental state funds would be available to make up for lost property tax revenues. However, two bills have been introduced in the legislature which could become operative if the initiative succeeds. SB 1883 (Gregorio) would involve State assumption of County responsibilities in the area of welfare and Medi-Cal services for the indigent. SB 1569 (Rodda) would involve raises in the State sales and income tax as a means of replacing lost tax revenues of local agencies.

## II. SUMMARY OF DEPARTMENTAL IMPACTS

Attachment A discusses the fiscal and service impacts of the budget reductions.

Our preliminary analysis indicates that a budget reduction of \$11.4 million would result in the elimination of approximately 297 full time positions, plus all CETA positions and extra help positions. This budget reduction, if made on an "across the board" basis, would involve a revenue loss of approximately \$1.7 million. We feel that if the initiative succeeds and major budget reductions are required, every effort should be made to make reductions in areas that would not have a negative revenue impact.

Several departments which provide mandated programs indicated concerns with the "across the board" approach to reducing the budget. These include the Assessor, Superior Court, Municipal Court, Jury Commissioner, County Clerk, District Attorney, Weights and Measures, Environmental Coordinator, Recorder, LAFCo, and the General Relief component of Social Services. We would agree that this factor should also be considered in the allocation of funds if the initiative succeeds. However, this would mean that additional reductions would have to be made in non-mandated programs. We can envision the possibility of having to eliminate entire programs in the Parks and Beaches departments, Library, and other departments in order to provide funding for mandated programs.

We would point out that while our analysis indicates a staffing reduction of 297, this is a very preliminary estimate. In order to avoid widespread layoffs of permanent staff, your Board could elect to reduce the work week, reduce salaries, reduce the number of extra help positions, or a combination of these measures.





### III. IMPACT ON COUNTY GOVERNED SPECIAL DISTRICTS

Certain special districts would be more heavily impacted by the initiative than other agencies of local government. Attachment B is the County Engineer's analysis of the impact on special districts governed by your Board. It has been assumed that special districts would experience a 65% reduction in property tax revenues. However, many special districts rely almost completely on these revenues. By comparison, property tax revenues make up approximately 1/3 of the County budget.

Some of these districts can increase user fees and charges for services to help minimize the revenue loss. However, others, particularly fire agencies, will have to decrease services.

### IV. IMPACT OF PROPOSITION 8 and SB 1

While this report deals with Proposition 13, a brief comment on the impact of County operations if Proposition 8 should pass and 13 fail is in order. Proposition 8 allows for the split property assessment roll. It allows for the implementation of SB 1, the property tax limitation bill developed in the legislature. Attachment C is a comparison of Proposition 13 and Proposition 8 prepared by the League of California Cities.

Proposition 8 and SB 1 would impact the County budget by limiting the growth of property tax revenues. The rate of growth is tied to inflation ( $6\frac{1}{2}\%$ ) plus new construction (2%), or a total growth rate of  $8\frac{1}{2}\%$ . Applying this formula to the current budget would mean that the 1978-79 property tax levy could only go up approximately \$1.5 million. Any other increases in the budget would have to come from other sources. For comparison, our recommendations for the 1978-79 budget require an additional \$2.7 million in property tax revenues. Therefore, should Proposition 8 pass, approximately \$1.2 million would have to be cut from our recommendations.

Under this property tax levy ceiling, the tax rate would drop each year assuming a normal growth in assessed valuation.

### V. CONCLUSIONS AND RECOMMENDATIONS

This preliminary report has been developed to give your Board an understanding of the initiative's possible impact upon County services. However, we would remind you again that this analysis is based on several assumptions which may not prove valid. A more precise contingency planning effort really cannot be completed until the County knows what property tax revenue will be available if the initiative passes.



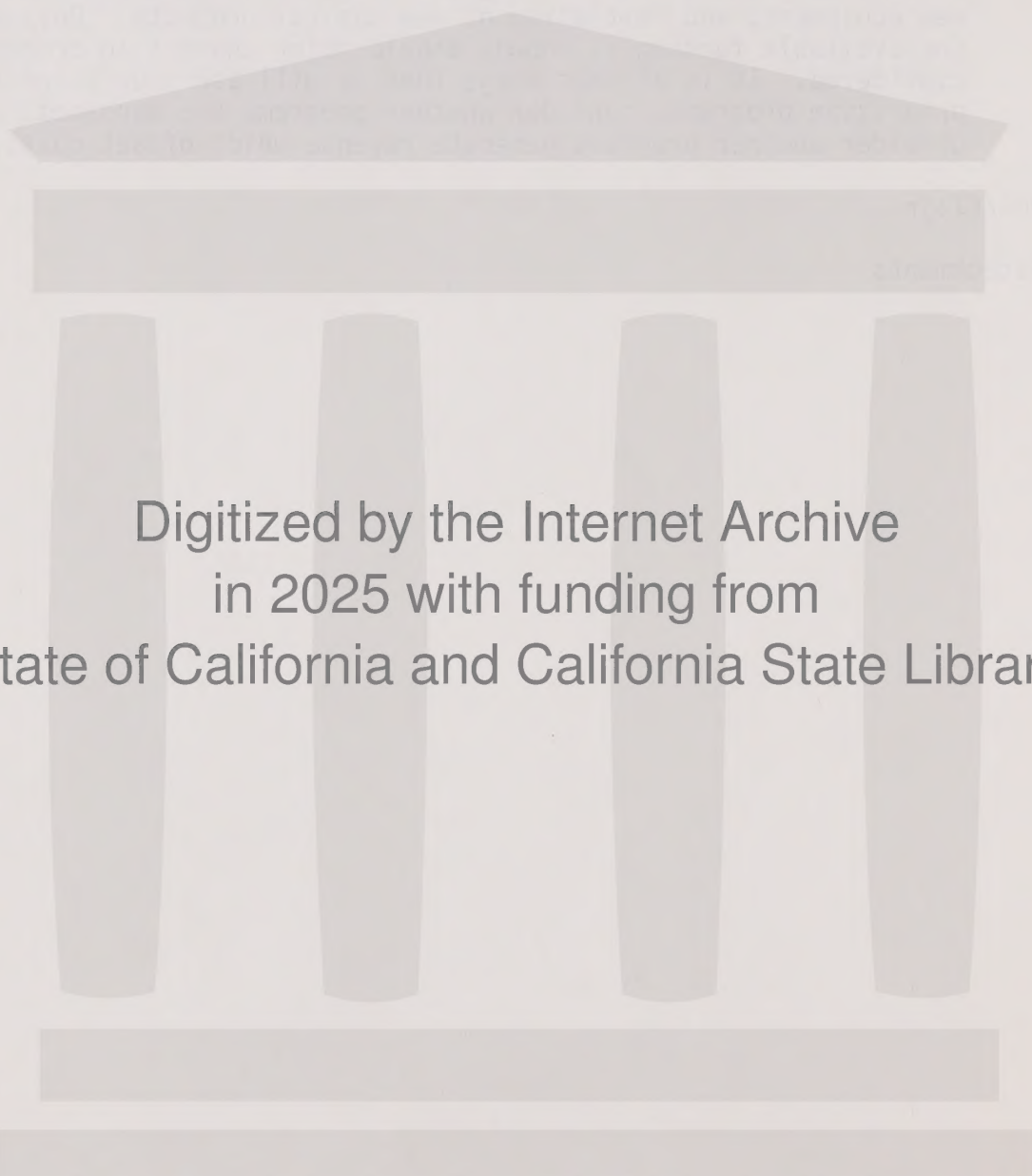


Board of Supervisors  
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It is our overall recommendation that if Proposition 13 passes, no drastic changes should be made to County programs until the uncertainties in the initiative are resolved. Instead, we will propose certain controls on the filling of vacant positions, purchase of new equipment, and initiation of new capital projects. Only after the available funding is known, should major changes in programs be considered. It is at this stage that we will ask your Board to prioritize programs, consider whether programs are mandated, and to consider whether programs generate revenue which offset costs.

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Attachments



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## ATTACHMENT A

### JARVIS/GANN INITIATIVE IMPACT ANALYSIS

#### BOARD OF SUPERVISORS

##### Fiscal Impact

Budget reduction: \$53,123. Would require the layoff of two clerical positions and elimination of most services and supplies.

##### Service Impact

Removal of clerical support would reduce ability of Board members to respond to constituent concerns. Elimination of travel funds would either curtail Board members' activities within their districts or require them to pay the cost of such travel from their own funds.

#### SOLID WASTE MANAGEMENT

##### Fiscal Impact

Budget reduction: \$4,436. The existing program manager position would be changed to a part-time position.

##### Service Impact

Currently this program includes administration of leases and other County Engineering responsibilities at solid waste disposal sites in the County. These activities are required under the County-wide Solid Waste Management Plan. The department advises that with the indicated reduction, the Plan could not be implemented.

#### COUNTY ADMINISTRATIVE OFFICE

##### Fiscal Impact

Budget reduction: \$104,690. Would require the layoff of three professional staff members and three clerical staff members and elimination of an additional vacant clerical position.

##### Service Impact

A reduction in staff time expended in budget analysis will result. Auditor will assume responsibility for developing a minimum legally required line item budget. Quarterly reporting would be abandoned in favor of the annual budget cycle with the possible exception of a report by department manager. Analytical time devoted to support for the Board would be reduced in proportion to reduced overall activities. Governmental planning would be reduced substantially despite the need to consider changes in government structure as a result of the initiative. Activity in direct support of the office operation would continue at a slightly reduced level. Requirements for public information activity would be absorbed by other service areas.





## AUDITOR-CONTROLLER

### Fiscal Impact

Budget reduction: \$197,124. Layoff of ten staff members associated with internal audits and systems development would be required. Related program costs would also be eliminated. The revenue loss offset by elimination of these programs is estimated at \$51,500 for internal audits, and \$260,000 for systems development.

### Service Impact

Mandated audits would be performed under contract. Non-mandated audits would be eliminated. Reduction of systems support would result in return to manual processing of several systems, including budgeting, cost accounting, payroll, vendor payments, unemployment insurance, deferred compensation, cost allocation plans, budget preparation, 1915 Bond Act system, property tax system, quarterly reporting and self insurance.

## TREASURER, TAX COLLECTOR, PUBLIC ADMINISTRATOR, PUBLIC GUARDIAN

### Fiscal Impact

Budget reduction: \$133,760. The department estimates a resulting loss in interest revenue of \$224,000 and a reduction in collections of \$600,000. The department estimates that several full time positions would be reduced to part-time status. This would be equivalent to a reduction in manpower of eight (8) positions.

### Service Impact

Banking - This service provides the safekeeping and accounting for all funds deposited in the County Treasury. Reduction in staffing could delay the daily balancing and reconciliation with the Auditor's books.

Investments - This service involves the investment of funds deposited in the County Treasury. Last fiscal year, \$2,286,094 was earned. Staff reduction would reduce the time devoted to calculating investment. This would result in a loss of overall earnings.

Consents to Transfer, Safe Deposit Box Inventory, Inheritance Tax Collection - Reduced staffing would result in delays to attorneys involved in probate cases who are requesting that a safety deposit box be inventoried. These individuals would no longer be able to have immediate access to these safety deposit boxes. Staff reductions would also make it very difficult to effectively provide collection and disbursement services for outstanding 1911 Act Bond assessment. Further, new bond issues could not be processed.

Tax Collection - Return envelopes would not be sent out with tax bills. Only one payment window would be provided, resulting in long waiting lines. Reduced staffing would result in delays in processing mailed payments. The delay is estimated at 12 weeks which translates into a \$224,000 annual loss in interest.





Reduced staffing would also reduce the department's ability to do "follow-up" work on the collection of delinquent tax payments. It is estimated that a 30% reduction in unsecured tax collections would occur.

Another service impact would be increased waiting times for people seeking information about bond redemption and payments. Further, the staff currently assigned to this area would also handle business license collections. The public hours for obtaining business licenses would be reduced.

The transient occupancy tax reporting period would be lengthened and compliance audits eliminated.

Public Administrator, Public Guardian - The Public Administrator manages the estates of people who have died without making a will. This office also handles certain cases where a will has been made. The Public Guardian also acts on behalf of certain individuals who have been found mentally or physically disabled. The major impact of staffing reductions in this area would be that the department would be more restrictive in accepting new conservatorships.

Administration - Staffing reductions in this service area would impact the efficiency of the overall office. Management's ability to plan, direct, and review activities of the department would be decreased.

#### ASSESSOR

##### Fiscal Impact

Budget reduction: \$396,783. This is equivalent to the layoff of approximately 34 positions. The Assessor feels he cannot continue to provide mandated assessment services at necessary levels if such a reduction were to occur.

##### Service Impact

The Assessor's office will experience a definite workload increase as a result of the passage of the initiative. Property transfers, public service and information, drafting, appraisal maintenance, assessment appeals, assessment standards and departmental administration will all experience workload increases. No corresponding reduction in workload can be identified. For this reason, the Assessor does not feel the department could carry out its mandated functions with the budget reduction target identified above.

#### PURCHASING

##### Fiscal Impact

Budget reduction: \$49,373. Would require the layoff of two professional positions and one clerical position.

##### Service Impact

Would increase time required to process requisitions and purchase orders. This could result in critical delays in the work programs of all County





department. Departments affected by the initiative would have to make cut-backs in their salary accounts, but the purchase of supplies and equipment would likely continue at near current levels. With this same workload and decreased staff, the Purchasing Department would be less responsive to the needs of other County departments in purchasing the necessary supplies and equipment.

#### COUNTY COUNSEL

##### Fiscal Impact

Budget reduction: \$138,354. Would require the layoff of three Attorneys and two clerical personnel.

##### Service Impact

The following service areas would be reduced by over 75%.

- a. Responding to citizen inquiries.
- b. Preparation for assistance at public meetings.
- c. Preparation for assistance and representation of clients at quasi-judicial and administrative proceedings.
- d. Document drafting and development of legal opinions would be reduced by 30%.

In light of the uncertainties associated with Proposition 13, additional litigation is anticipated. It is estimated that 60% more funds may be required for this service.

#### PERSONNEL

##### Fiscal Impact

Budget reduction: \$114,652. Would result in the layoff of three professional positions and two clerical positions.

##### Service Impact

The physical examination program would be eliminated. Service and supply funding would be reduced by over 40%. Recruitment advertising would be reduced 75%. Departmental resources would be pooled to provide minimum services necessary to administer layoffs, reemployment, classifications, recruitments and testing, records, personnel practices, and support of the Civil Service Commission.

#### PENSION TRUST

##### Fiscal Impact

Budget reduction: \$38,862. The president of the Board of Pension Trustees has advised that this program could not be continued with the reduction in funding indicated above. The budget for this function includes only two positions. Approximately 60% of the budget is currently allocated to professional and specialized services, such as data processing,





programming, actuarial, legal, medical, investments management, and disbursement services. Any major cuts in appropriations would occur in these critical areas.

#### Service Impact

If the private employee retirement system cannot be administered, the County could consider joining the State Public Employees Retirement System (PERS). At this point, it is not certain that this would necessarily be a cost savings. Another alternative would be to increase the employees' share of contributions to the system in order to finance necessary administrative costs.

#### FACILITY SERVICES

##### Fiscal Impact

Budget reduction: \$382,723. The projected cut in appropriations would require a layoff of between 21 and 28 employees.

##### Service Impact

All maintenance projects funded by the General Fund would be eliminated. A 30% reduction in Facility Services appropriations for administration would be required. Maintenance painting would be eliminated. All maintenance other than preventative and emergency maintenance would be eliminated. Material and supplies monies would be reduced by 50%. Extra-help staff related to the real property management function would be eliminated. Offices would be cleaned every other day and special cleaning projects would be eliminated. If General Fund Capital Projects are eliminated, required architectural services would also be adjusted.

#### GROUNDS

##### Fiscal Impact

Budget reduction: \$18,126. Reduced funding would involve the layoff of two positions.

##### Service Impact

The level of exterior maintenance of County facilities would be reduced substantially. The frequency of maintenance activities will be cut in half.

#### GENERAL FUND PLANT ACQUISITION (Capital Improvement Program)

##### Fiscal Impact

Budget reduction: \$465,226. The indicated reduction would involve either a reduction in the number of projects or a greater reliance upon Revenue Sharing and other grant funds for County capital projects.



### Service Impact

Several projects already approved in your Board's 1978-79 Capital Improvements Program would have to be postponed or shifted to Revenue Sharing funding. If such a shift were to occur, other programs or projects would have to be eliminated.

### PROMOTION OF COUNTY RESOURCES

#### Fiscal Impact

Budget reduction: \$2,519. Currently, your Board contributes \$1,500 to the Youth Symphony and \$5,000 to the County Symphony Association.

#### Service Impact

It is not clear if the two programs currently funded could continue with the reduction in funding indicated.

### EQUIPMENT ACQUISITION

#### Fiscal Impact

Budget reduction: \$48,771. Currently, the General Fund pays for approximately 35% of the fixed asset equipment items purchased. The indicated reduction would require either the purchase of less equipment or a greater reliance upon revenue sharing funds.

#### Service Impact

Older equipment items would remain in service. This would result in less efficient operations and a possible safety hazard. However, it is noted that less equipment will be required if large scale layoffs occur.

### SPECIAL BOARDS AND COMMISSIONS

#### Fiscal Impact

Budget reduction: \$12,100. The County contribution to several County boards, commissions and committees would be reduced if the proposition passes.

#### Service Impact

The following are supported by this budget:

- Airport Land Use Commission
- County Board of Parole Commissioners
- Central California Regional Criminal Justice Planning Council
- Tri-Counties Commission on Aging
- County Supervisors Association of California
- Health Systems Agency

Of the above, the last three are allocated about 90% of the funds available and would be likely to absorb most of the indicated reduction.





## COMMISSION ON THE STATUS OF WOMEN

### Fiscal Impact

Budget reduction: \$1,971. Reduced funding would involve a cut in the funds for office supplies and telephone services for the Commission.

### Service Impact

The Commission's various liaison efforts on behalf of women in the County would be scaled down and/or eliminated unless alternate funding becomes available.

## SURVEYOR

### Fiscal Impact

Budget reduction: \$69,088. Three professional positions would be laid off if the proposition passes.

### Service Impact

The department's plan check activities involving mobile home parks, apartments, and road and drainage improvements would be eliminated. Microfilming funds would be reduced to 10% of the current level. The resources available for responding to public inquires, general surveyor activities, would be reduced 25% of the current level. Researching subdivision boundaries would be reduced to approximately 10% of the current level.

## TECHNICAL SERVICES

### Fiscal Impact

Budget reduction: \$459,753. Reduced funding would result in layoff of 13 positions. There would also be a reduction of \$23,800 in revenue currently received from other agencies for data processing services.

### Service Impact

The new Dimension 2000 Telephone System would be eliminated and phone usage would be reduced. County switchboard would be staffed by only one person which would result in some delay for individuals calling County departments at the Courthouse Complex. Maintenance of mobile and portable radios would be reduced. While a smaller computer would not be selected, peripheral equipment would be reduced and almost all new applications would be eliminated. Planning services would be almost eliminated as well. The department advises that while the decrease in services would result from the reduced funding, other departments might seek additional services from Technical Service in order to provide services more efficiently.





## CENTRAL MAIL

### Fiscal Impact

Budget reduction: \$7,938. One mail clerk would be laid off.

### Service Impact

The distribution of incoming mail would be handled by the U. S. Postal Service which would result in a delay in the processing of incoming mail for up to two hours. The intra-departmental mail delivery would be reduced to one outside mail run and two inside mail runs daily. The most important function to be retained would be the collection and metering of outgoing mail to take advantage of the pre-sort discount on postage.

## COUNTY ENGINEER SERVICES TO OTHER AGENCIES (Special District Services)

### Fiscal Impact

Budget reduction: \$28,482. One Engineer position would be eliminated.

### Service Impact

The amount of time and funding spent on initiating assessment districts would be reduced. Further initial funding of water and sewer projects prior to bond elections would also be impacted.

## SUPERIOR COURT

### Fiscal Impact

Budget reduction: \$148,495. The Superior Court has not identified specific economies which would be taken to realize this reduction. It has advised that State law requires that criminal proceedings be given priority over civil litigation. As a minimum, the layoff of two attorneys would be required.

### Service Impact

The Superior Court function is mandated by the State. It is doubtful that the above budget reduction would allow the department to provide a satisfactory level of service. If budget reductions occur, a greater waiting period would be required before the Court could hear civil cases. Record-keeping and security services would be reduced. Note: The County Clerk's Office serves as Clerk to Superior Court. For a complete picture of the impact of the Initiative on the Superior Court, refer to the following discussion of the County Clerk's budget impact.



## COUNTY CLERK

### Fiscal Impact

Budget reduction: \$223,546. The reduced budget would require the layoff of one position in the Elections unit, six positions which serve Superior Court and one position serving the Board of Supervisors.

### Service Impact

The department advises that it has serious concerns over its ability to provide mandated services at required levels under the reduced budget. The Clerk would be required to drop out of the County Clerks' Association and the County Elected Officials' Association. Reduction in office expenses would require that Board of Supervisors' meetings would no longer be taped, California Code updates would no longer be received, and Chapter laws would not be received. There would not be sufficient funds to mail sample ballots, state ballot pamphlets or written notices as required by law. Certain mandatory Court, Board of Supervisors, or Election forms could not be purchased. No funds would be available for per diem expenses of the Assessment Appeals Board nor official reporters to record their minutes. Microfilming of court records would cease. Office space would be reduced because of the reliance upon file cabinets for filing as opposed to microfilming. Some publications would be reduced to the point that Board of Supervisors' minutes, bid notices, and public hearing notices could not be financed.

Polling places would not be rented; instead, there would be a heavy reliance upon the use of public school facilities or other public buildings, if available. Voters would have to travel considerable distances to reach their precincts. Because the department's Mag Card Typewriter could not be retained, the Board of Supervisors' minutes and fair statements could not be prepared. Meeting legal requirements, in terms of voter deadlines, would be difficult because of the lack of funding for postage. Insufficient funds would be available to prepare sample ballots and other legally required voter information materials. No funds would be available to pay election officers during Election Day. Out of County travel to professional meetings would be eliminated.

The mandated voter outreach program could not be carried out because of a lack of staff. There is serious doubt as to whether elections could be held because insufficient staff would be available for preparation and conduct of elections. Elimination of the voter outreach program would also have a negative revenue impact.

The reduction in staff serving the Superior Court would result in insufficient manpower to process and file legal documents and to meet all legal deadlines for giving notices or calendaring court actions. Insufficient staff would be available to provide courtroom support.

The reduction in staffing serving the Board of Supervisors would result in the reduced ability to serve the Board during their public meetings





and outside of business hours. Further, the Clerk would be able to furnish only limited support to the Assessment Appeals Board, Air Pollution Control District Hearing Board, or City Selection Committee.

In addition to the reduction in mandated services discussed above, the Clerk is also concerned about the personal liability that may result if, as department head, she is not able to carry out the requirements of the Federal Voting Rights Act of 1965, as amended.

#### MUNICIPAL COURT

##### Fiscal Impact

Budget reduction: \$280,377. The reduction would result in a layoff of at least four positions. These positions are all involved in the first phase of the University parking program, which are offset 100% by revenue; therefore, if the four positions are deleted, there will be a reduction in revenue of \$22,543.00. Beyond the deletion of these four positions, the department is not able to identify further areas where cuts could be made to come down to the required budget.

##### Service Impact

The department advises that it will not be able to provide mandated functions with a budget reduction as indicated above.

#### JURY COMMISSIONER

##### Fiscal Impact

Budget reduction: \$14,119. No funds would be available for summoning jurors, maintaining their records, and paying them.

##### Service Impact

The department advises that the reduction indicated above would not allow it to provide mandated functions. Because of the small size of this budget unit, there are not enough areas that could be reduced while still maintaining a satisfactory level of service.

#### DISTRICT ATTORNEY

##### Fiscal Impact

Budget reduction: \$368,887. The department advises that a reduction in revenue of \$119,979.00 could result from the above budget reduction. The budget cuts would result in the layoff of approximately 16 employees.

##### Service Impact

Many non-mandated services would be virtually eliminated. They include consumer protection, welfare fraud investigation, civil complaints





investigation, special investigations requested by governmental agencies and criminal intelligence activities.

Mandated services would be critically reduced with the following probable effects.

1. Closure of the Paso Robles branch office.
2. Elimination of the prosecution of misdemeanor cases.
3. Removal of legal assistance to non-support positions, and
4. Discontinue subpoena by mail.

The department advises that should the above budget reduction occur, it would concentrate available resources on the prosecution of felony cases.

#### GRAND JURY

##### Fiscal Impact

Budget reduction: \$6,856. There is no staffing assigned to this budget unit, therefore no layoffs would be involved. Instead, reduction is estimated in services and supply accounts.

##### Service Impact

The indicated reduction would reduce the ability of the Grand Jury to perform its mandated functions. The scope and number of Grand Jury committee investigations would be reduced.

#### SHERIFF-CORONER

##### Fiscal Impact

Budget reduction: \$1,326,375. This department has prepared four alternative ways in which it would handle the above reduction. The one described here is the one which our office feels would be the least disruptive in terms of the department's services to the public. The following staffing reductions would occur. Vacant positions, 4; Jail, 6; Patrol, 10; Detectives, 4; Civil Enforcement, 6; also, one Under-sheriff position would be eliminated. The total number of positions being reduced would be 31. Additionally, travel and office expense would be reduced by 25%. Jail inmates food and clothing would be reduced by 25%. Overtime would be eliminated. Personnel training would be eliminated (this would involve the reduction of a Deputy Sheriff position not included in the above figures). Search and Rescue, Dive Team, and Bomb Squad activities would be eliminated.

##### Service Impact

In addition to the above reductions, all remaining staff would work a 30-hour week. Because fewer individuals would be detained, there would



be a corresponding reduction in the jail population. There would be an increased number of unsolved crimes and reduced ability of the department to respond to complaints.

The County is mandated to provide certain law enforcement services. The level of those services is generally a matter of local option. The reductions indicated above would result in a service level far below that which is currently provided by the department.

## PROBATION

### Fiscal Impact

Budget reduction: \$605,343. To accomplish this reduction a total of 20.5 positions would have to be deleted.

### Service Impact

The following services would be eliminated under the above budget reduction. (1) Placement of juvenile court wards; (2) Foster Home administration; (3) Collections function; (4) Superior Court Civil Services; (5) Adult Drug Diversion; (6) Supervision of Adult Misdemeanant; (7) Family Crisis Intervention; (8) Shelter Care; (9) Informal Probation for Juveniles; (10) Supervision of Non-Ward Juveniles; (11) Juvenile Diagnostic Care; (12) Detection of health problems; (13) Recovery from health problems; (14) Vocational Services; (15) Community Resource Development; (16) Residential services - Adults. In addition to the above, the following administrative services would be reduced: (1) Business and clerical; (2) Management and administration; (3) Operating Expenses.

Apart from the overall reduction, several significant problem areas would be created under the reduced funding: (1) There would be no ability to pay for the placement of juvenile court wards; (2) there would be no ability to enforce the collection of fines, fees and restitution; (3) there would be no ability to assist Superior Court in civil matters, such as step-parent adoptions, trespasses, and guardianships; (4) there would be no ability to supervise adults placed on probation after conviction of a misdemeanor crime; (5) there would be no ability to provide counseling to troubled youths or to resolve family problems that may foster delinquency.

The following policy consequences are identified with the reduced funding. (a) Less enforcement of sentences and dispositions in criminal cases; (b) greater use of County jail and state prisons; (c) greater use of fines; (d) less intervention in pre-delinquency cases; (e) greater use of the petition/court process in non-criminal cases.

The department advises that the ultimate impact of the above would be a tendency toward increased misdemeanor crimes, a total loss of crime and delinquency prevention programs, and decreased operational efficiency for those services remaining.





## DELINQUENCY PREVENTION COMMISSION

### Fiscal Impact

Budget reduction: \$1,236. No staff is included in this budget unit. The indicated reduction would have to come from services, supplies or the Commission itself.

### Service Impact

This Commission attempts to coordinate the governmental and non-governmental agencies engaged in activities designed to prevent juvenile delinquency. The reduced funding would reduce the Commission's ability to provide this service.

## PROTECTION SERVICES (Fire Protection)

### Fiscal Impact

Budget reduction: \$227,048. No county personnel are directly involved in this budget unit. The budget provides funding to the California Department of Forestry for fire protection services. Over half of the budget unit is allocated to professional engine companies at Nipomo, San Luis Obispo-County Airport, Paso Robles, and Simmler. The actual closing of some of the stations discussed above, most volunteer companies, and the Santa Margarita engine company would be required in order to meet the reduced budget.

### Service Impact

The indicated budget reduction would involve a higher public risk to brush fires and structural fires. Since salaries are provided on a contract to the state, there would be no ability to reduce salaries in order to reduce the overall budget. Instead, the level of service would have to be reduced.

## RESOURCE CONSERVATION

### Fiscal Impact

Budget reduction: \$2,975. This budget unit is made up entirely of contributions to four Resource Conservation Districts in the County. The required budget reduction could only be met by reducing these contributions.

### Service Impact

Arroyo Grande, Las Tablas, Nacitone, and Upper Salinas Resource Conservation Districts receive funding under this budget unit. If the above budget reduction were required, the districts would either have to reduce their natural resources conservation program or increase their own individual tax levies.



## ORDINANCE ADMINISTRATION

### Fiscal Impact

Budget reduction: \$271,142. This reduction would involve the layoff of approximately 16 positions. Anticipated revenue loss: \$293,000.

### Service Impact

The department advises that as a result of the reduced funding only 50% of the building permits now issued could be issued. The reduced staffing for subdivisions and lot divisions would result in a backlog of unprocessed applications. It is estimated that within six months a one year backlog would develop. The same would hold true for the development review section. The Planning Commission would meet only one-half of their current schedule. The overall impact would be to severely curtail the construction trades in the County. Many construction workers would be out of work due to government slowdown in processing of development plans.

It should be noted that this budget unit is generally offset 100% by development fees. As a result of the reduced funding, it is estimated that approximately \$293,000. in development permit revenue would be lost.

## AGRICULTURAL COMMISSIONER

### Fiscal Impact

Budget reduction: \$150,264. This reduction would involve elimination of six positions. Temporary help, overtime, and professional services would also be eliminated. The department estimates that if these reductions occur there will be corresponding reduction in revenue in excess of \$62,000.

### Service Impact

The department's Oceano office will be closed. Many mandated programs would be so weakened that it would be possible that the State would have to perform the service and bill the County. Funds for pest management would be reduced nearly 40%. Funds for inspection services would be reduced 16%. The pest exclusion service would be reduced by over 30%. Funding for preparation of statistics and reports required by the State would be reduced by over 40%. Service to the agricultural industry consumers and the environment would allow many insects, vertebrate pests, and weeds to spread causing more use of pesticides by inexperienced persons. This could be a danger to man, livestock, wildlife and the environment.





## DEPARTMENT OF WEIGHTS AND MEASURES

### Fiscal Impact

Budget reduction: \$30,089. This would require the layoff of 1.6 positions, the elimination of two departmental vehicles and a \$4,250 reduction in the areas of travel and test purchase.

### Service Impact

The device inspection program would be reduced 35%. Quantity control would be reduced 52% and weighmaster inspection by 25%. The department advises that these reductions would place the County below acceptable State standards. Conceivably, the State could step in and do the work and charge the County for the cost at a higher price.

## OFFICE OF THE ENVIRONMENTAL COORDINATOR

### Fiscal Impact

Budget reduction: \$13,197. The only way this budget reduction could be accomplished would be through the deletion of the Assistant Environmental Coordinator position and a conversion of the Environmental Coordinator to a part-time position.

### Service Impact

The county is mandated to provide necessary staff to enforce the Environmental Quality Act of California. Under the reduced funding, the Environmental Coordinator feels that this mandate could no longer be met.

## RECORDER

### Fiscal Impact

Budget reduction: \$47,251. While the department has not identified the number of positions which would be laid off as a result of this reduced funding, it is estimated that 3 of the department's 8 employees would be eliminated.

### Service Impact

The department advises that all of the services provided by the department would be reduced as a result of the reduced funding. The most heavily hit would be the recording service which currently accounts for over 50% of the department's budget. Public contact, preparation of documents, photocopies, returned documents, and other services provided to other County departments would all be reduced. The department advises that the reductions would result in a service level below that mandated by the State.



## CIVIL DISASTER

### Fiscal Impact

Budget reduction: \$8,048. The budget for this function is made up of one full time Coordinator. As a result of the indicated reduction, that position would be reduced to a half-time position.

### Service Impact

The following services would be reduced by 50%: Emergency coordination, general emergency planning, nuclear emergency planning, public information, emergency training, and exercises. Approximately, 65% of the funds for this budget unit are provided by the Federal government. The indicated budget reduction would result in an estimated loss of \$5,236. in Federal revenue.

## CURRENT AND ADVANCE PLANNING

### Fiscal Impact

Budget reduction: \$94,986. This reduction would result in the elimination of 4 staff positions. Revenues would not be substantially affected, since they represent primarily State open space subventions.

### Service Impact

While there would be a continuing need for public information regarding a reduced planning operation, staff reductions would result in a reduced public information program. Funding for area planning support would be reduced by approximately 50%. The same would hold true for general plan development. Special projects would be cut by more than 50%. The department would concentrate on completing the Land Use Element, Housing Element, Local Coastal Plan, and other projects not dependent upon General Fund monies. Because of the reduced ability to complete necessary general plan efforts, private development projects could be delayed pending the completion of such plans.

## AREA COUNCIL OF GOVERNMENTS

### Fiscal Impact

Budget reduction: \$4,451. The reduced funding would result in conversion of one full time position to one half-time position to provide staff support to the Area Planning Council.

### Service Impact

All of the Council's services would be reduced with the result of the reduced funding. These services include General Administration, Area Council Meetings, areawide planning, intergovernmental council, and area-wide clearinghouse functions.





The Planning Department advises that it is doubtful that the function could be continued with the reduced funding. The County's eligibility for Federal grants and SB 325 funds could be jeopardized if the area-wide council were to be discontinued.

#### ANIMAL REGULATION

##### Fiscal Impact

Budget reduction: \$88,741. The indicated reduction would result in the elimination of five positions. This reduction would also result in a loss of \$50,000 in revenue currently generated by the department.

##### Service Impact

The office would be closed on two days per week instead of one day. One of the three incoming phone lines would be eliminated. Unsigned complaint notification mailings would be eliminated. All complaints would have to be signed by citizens. Licensing clinics would have to be eliminated. During 1977-78, twenty-one such clinics were held. In order to get licenses, citizens would either have to mail in applications or come to the facility. This would reduce license sales by an estimated 20%. The department's education program now being held in schools throughout the County would have to be eliminated. The kennel facilities would be closed two days per week instead of one. An Animal Control Officer would feed and clean kennels two days per week. The adoption program would be eliminated as would owner-requested euthanasia.

The most severely impacted service of the department would be stray animal patrol. All patrol after 5:00 P.M. would be eliminated, as would all weekend patrol, except for emergencies. Owner-requested pickup service and dead animal pickup would be eliminated.

#### LOCAL AGENCY FORMATION COMMISSION

##### Fiscal Impact

Budget reduction: \$12,847. This would leave a budget for the Commission which would be less than the current salary of the Deputy Executive Officer, who manages the division and acts as staff to the Commission; therefore, staff activities could only be continued on a part-time basis.

##### Service Impact

LAFCo is a state-mandated program. Under state law the Commission cannot refuse to accept proposals for filing. If proposals could not be thoroughly reviewed by the staff, the Commission could not act upon them. Applicants and agencies making such applications would be likely to seek a legal remedy if their applications were not acted upon in a timely manner.



## AIRPORTS

### Fiscal Impact

Budget reduction: \$27,636. The indicated reduction would require the layoff of 1½ positions.

### Service Impact

Currently, the San Luis Obispo County Airport is provided 7 day a week maintenance and operation services. These services include daytime cleaning of the terminal, weed control along the runways, runway lights maintenance, and maintenance of County-owned hangars. Similarly, maintenance services at Oceano Airport would be totally eliminated, leaving only the operational component.

## GENERAL RELIEF

### Fiscal Impact

Budget reduction: \$68,733. This budget unit is made up entirely of financial assistance grants. No staff reductions would be involved.

### Service Impact

The director of the Department of Social Services has indicated he has serious reservations as to whether or not the indicated reductions could legally be made. A recent appeal decision in the case of the city and county of San Francisco vs. Superior Court held that aid standards and general relief must be equivalent to amounts necessary for persons to survive. Whether the reduced budget would meet this standard would depend upon the caseload and the amount of the cash grant.

## VETERANS SERVICE OFFICE

### Fiscal Impact

Budget reduction: \$37,401. It is estimated that three positions would be eliminated.

### Service Impact

The department's major service is providing counseling and claim filing services to veterans. Funding for this service would be reduced by approximately 33%. The department's second major service is transferring indigent veterans to V.A. hospitals. Under the reduced funding this program would be completely eliminated.

Because of the reduced staffing, the department feels that it would be able to handle only 40% of its current workload. This would result in a backlog and an increased waiting time by the public. The department may also have to stop helping veterans with undesirable discharges who are trying for a discharge upgrading. There would be insufficient staff





time to check on awards obtained by veterans to see that they are in the correct amount. In order to keep up with their filing, the department may wish to ask your Board that it be allowed to be closed to the public for longer periods.

#### FARM AND HOME ADVISOR

##### Fiscal Impact

Budget reduction: \$31,395. This would result in the elimination of 2½ positions and a \$5,500 reduction in the department's travel budget.

##### Service Impact

Because this department receives over 80% of its budget from the State of California, the indicated impact would be comparatively small. Farm and home calls would be reduced as would meetings, workshops, and the numbers of informational publications and newsletters distributed to the general public. The agricultural research program would also be cut by approximately one-third. The County contribution to the 4-H youth program would be reduced by approximately 40%. The department's family and consumer science program which focuses upon improved nutrition would be reduced by more than half.

The department advises that agriculture is the major industry in the county. The long-term effects of reducing the services provided by this department could weaken the agricultural industry in the county.

#### PARKS AND BEACHES

##### Fiscal Impact

Budget reduction: \$296,151. The department estimates that 15 positions would have to be eliminated. Further, all extra-help funds would be eliminated. The department currently uses extra-help staff to provide lifeguard services at beaches and swimming pools and as seasonal help during summer months due to increased workloads. Electrical outlets at barbecue areas and night lighting of piers and park areas would be discontinued to reduce utility costs. The number of garbage disposal containers would be reduced as would frequency of pick up. Maintenance of facilities would also be reduced, which in some cases would increase the County's liability. Chemical toilets currently provided on two piers would be eliminated.

##### Service Impact

Park facilities would not be repaired in a timely manner. The director advises that a rapid decline in appearance and usability will occur. Broken windows not replaced or boarded up, lack of painting, barbecue grills and pits unusable or missing, inaccessible roads, and parking lots in a state of deterioration will diminish the overall usability of these facilities. The frequency of restroom cleaning will be reduced. Mowing, edging and watering the turf areas will be drastically altered and litter would become more prevalent throughout the park system. Due to staff reductions, there will not be adequate personnel to collect camping and other park fees.



## MUSEUM

### Fiscal Impact

Budget reduction: \$6,434. The existing Museum Curator would have to be reduced to a half-time position.

### Service Impact

The number of hours that the museum is open to the public would be reduced from 40 hours per week to 20 hours.

## VETERANS BUILDINGS

### Fiscal Impact

Budget reduction: \$49,654. This would result in the layoff of four maintenance staff positions.

### Service Impact

The Director of Parks and Recreation advises that the Veterans Buildings could not be maintained at the current level with the staff reductions anticipated. He has identified the following alternatives for continuing the maintenance of the buildings:

- a. Attempt to manage two buildings with one employee.
- b. Close some of the buildings altogether.
- c. Turn them over to the respective local agency.
- d. Lease them to a local citizens' group.
- e. Designate only certain hours or days they would be available for use.

Under any of these alternatives, the overall maintenance level for the buildings would be reduced.

## ROADS

### Fiscal Impact

Budget reduction: \$479,976. This reduction would be split between the roads construction program and the roads maintenance program. Seven positions would be laid off in the construction program and three positions would be laid off in the maintenance program. The reduced funding for construction would amount to approximately 20% of the current program. Reduction of funds for road maintenance would amount of approximately 10% of the current program. It should be noted that the road fund is only partially supported by General Fund monies and, consequently, the impact of these budget reductions are low compared to other General Fund departments.

### Service Impact

Maintenance of roads would be spread over a greater number of years with the result that the overall condition of roads in the county would





deteriorate. Response time to patching requests would be longer. Roads would be rougher to drive on and deteriorate more quickly. The road construction program would be reduced below the level provided by the County in recent years.

#### FAIR POLITICAL PRACTICES ACT

##### Fiscal Impact

Budget reduction: \$33,117. In the past, the cost of this function has largely been the salaries of staff responsible for implementing the Political Reform Act of 1974. All required local codes to implement the requirements of the act were adopted by December 1977. Therefore, reduced funding will be required in 1978-79, regardless of whether the proposition passes or not.

##### Service Impact

No impact.

#### AIR POLLUTION CONTROL DISTRICT

##### Fiscal Impact

Budget reduction: \$39,540. This would involve the layoff of two positions. The District staff advises that if this were to occur, a loss of State subvention revenues in the amount of \$20,700. could be anticipated for failure to carry on an effective program of reduction of air contaminants. A State take-over of the district's powers could also occur.

##### Service Impact

Administrative review of staff work, coordination of district programs, coordination of inter-agency activities, and implementation of the 1977 Clean Air Act requirements would all be reduced. Staff review and comments on draft environmental impact reports would also be reduced.

The district's engineering service is involved in reviewing new projects and issuing or denying authorization to construct. A reduction in this service would result in the delay in the start of a project. In addition, the district's ability to complete an annual emissions inventory necessary for air quality planning would be seriously impaired, as would new regulation development.

One air monitoring station would be closed down due to both loss of manpower and to reduced operating costs. This would be either in Nipomo, Morro Bay, or Paso Robles. Air quality data from these three stations is essential for ongoing air quality planning in the County.

Source inspection, rate, compliance testing, and fuel patrol would be reduced by approximately one-half. This means that most sources would be inspected every two to four years, rather than the current annual or



bi-annual inspection rate. This greatly increases the prospects of additional unnecessary emissions due to lack of enforcement. Recorded agricultural burn-no burn advisories would be removed from two of the three locations in the county requiring many long distance calls by agricultural and other business interests.

## LIBRARY

### Fiscal Impact

Budget reduction: \$617,465. Such a reduction would involve the layoff of 24 full-time staff.

### Service Impact

Fifteen branches and all bookmobile service would be eliminated. Ten percent cuts in hours and services at remaining branches at Morro Bay, Atascadero, and Arroyo Grande would be required. Almost all specialist librarians would be eliminated. Hours at San Luis Obispo City-County Library would be reduced to afternoons only, Monday through Friday. Over 40% of the present subscriptions to books and magazines would be eliminated. Audio-visual, reference, and children services would be eliminated. A book-by-mail service would be employed to take the place of 15 branches and bookmobile service.

The following branch libraries would be eliminated: Avila Beach, Cambria, Cayucos, Creston, Grover City, Halcyon, Nipomo, Pismo Beach, Pozo, San Miguel, Santa Margarita, Shandon, Shell Beach, Simmler, and South Bay.

## COMMUNITY TRANSIT SYSTEMS

### Fiscal Impact

Budget reduction: \$23,189. Currently, this budget is made up of two elements. One is the Atascadero Dial-A-Ride Mass Transit System with a funding level of \$74,000. The second program allocated \$25,000 for expenses of eight Senior Citizens vans in the unincorporated area. If the above reduction occurs, either or both programs would have to be scaled down or the Senior Citizens van function eliminated.

### Service Impact

Reducing either of the above two programs will result in a greater use of private vehicles with resulting minor impacts on energy use, noise and pollution. Public convenience would also be reduced.





## ATTACHMENT B

### Impact of Proposition 13 on County Governed Special Districts

The Special Districts governed by the Board of Supervisors will be affected in varying degrees by the Jarvis-Gann initiative. Those Districts relying solely on property taxes will lose approximately 62% of their funding. Wherever possible, a shift would be made to user charges.

The following Districts derive their revenues from user charges and would be unaffected:

- Waterworks District No. 1 (San Miguel)
- Waterworks District No. 1-A (San Lawrence Terrace)
- Waterworks District No. 6 (Santa Margarita)
- County Service Area No. 9-E (Vista De Oro)
- County Service Area No. 16, Improvement District No. 1  
(Shandon Water)

The following Districts derive the bulk of their revenues from use charges and reductions in property tax income can be easily shifted:

- Flood Control Zone 3 - Recreation Area
- Waterworks District No. 8 (Cayucos)
- Atascadero County Sanitation Improvement District
- County Service Area 9, Zone A (Baywood Park Water)
- County Service Area 12 (Avila Beach)
- County Service Area 13 (Oceano Water)
- County Service Area 19 (Heritage Ranch)

The following Districts rely solely on property taxes for their support. These Districts, because of their nature, would be very difficult, if not impossible, to shift over to user or other charges. Services would be severely curtailed or eliminated altogether:

- Atascadero Lighting
- Avila Lighting
- Nipomo Lighting, including Zones A, B, C and D
- Oceano Lighting
- Oceano Beach Lighting
- San Miguel Lighting
- Santa Margarita Lighting
- County Service Area No. 1 (South County)
- County Service Area No. 7 (North Shore Nacimiento)
- County Service Area No. 7-A
- County Service Area No. 9
- County Service Area No. 9-B (South Bay Fire Department)
- County Service Area No. 9-C (South Bay Drainage)
- County Service Area No. 10 (Cayucos Lighting)
- County Service Area No. 11 (Los Berros)
- County Service Area No. 15 (Bay Ambulance)
- County Service Area No. 16 (Shandon Lighting)
- County Service Area No. 18 (Country Club Estates)
- Flood Control - General
- State Water Project



Nacimiento Water Contract  
Flood Control Zone 1 and 1-A  
Flood Control Zone 9

County Services Areas 9-B and 15 present a problem because of the nature of their service. A 2/3 reduction in funding would eliminate the ambulance district (CSA 15) and reduce the fire district to a volunteer organization. Rescue service by CSA 9-B personnel would cease. There would be a layoff of one Assistant Fire Chief, two Fire Captains, two Fire Fighter positions and termination of four student fireman contracts.

Street lights would be operated less often.

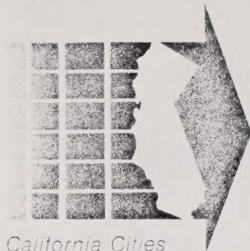
The County-wide Flood Control District would lose \$81,000 in revenue. This would eliminate further groundwater studies by State Department of Water Resources (\$20,000), drainage studies with U. S. Corps of Engineers (\$22,500), reduction of field work on hydrologic data (\$15,000); and reduce office work on data analysis and publications (\$23,000). One Engineering Aide and one Engineer I position would be layed off.

A County default on its contractual obligation under the State Water Project could occur. This could mean possible loss of right to water entitlement and likely legal action by the State.

A County default on the Nacimiento Water Contract with Monterey County is also possible lose with a resulting water entitlements. Monterey County is in the same position as San Luis Obispo County. Legal action between the two counties may occur.







# League of California Cities

## Comparative Summary Analysis of the Jarvis-Gann Initiative and SB 1

	<u>Jarvis</u>	<u>SB 1</u>
Property tax relief to homeowners	Statewide estimated average relief of 57% (\$2.3 billion)	Guaranteed relief of 30% (\$1.2 billion)
Overall property tax relief to homeowners	Existing homeowner exemption will be continued but dollar benefits will be reduced by 57%. Total homeowner relief including exemption will equal \$2.65 billion.	Existing homeowner exemption will be continued at current level. Total homeowner relief including exemption will equal \$1.96 billion.
Property tax relief to renters	None.	Renters income tax credit increased from \$37 to \$75 per year. (\$165 million)
Property tax relief to business	Statewide estimated average of 57% (\$4 billion).	None.
Senior citizens tax relief	No special treatment. Same as all property owners; no relief for renters.	Additional relief for homeowners and renters over 62 years with incomes up to \$13,000 (\$82 million).
Existing State surplus	Not mentioned.	Used to fund residential property tax relief.
Local property tax revenue limit	1% of full cash value; maximum 2% AV growth per year; reassessment when property changes ownership.	Revenue growth limited to percentage increase in GNP price deflator plus additional revenue derived from new construction.
Replacement revenue	Not mentioned; available sources and increases necessary to make up lost revenue: —sales tax - 100% increase or —income tax - 125% increase or —bank and corporation tax - 333% increase.	Local revenue loss reimbursed from existing and projected state surplus. No additional tax increase necessary.

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JarvisSB 1

State revenue limit	None.	State personal income growth times 1.2.
Reallocation of responsibility for welfare costs	No change.	State assume cost of most county welfare services now borne by residential property tax.
Equity to homeowner	AV for properties held by the same owner for several years may lag far behind full cash value requiring newly purchased properties to bear a disproportionate tax burden.	Owners of properties of equal value within a single tax code area will continue to pay equal taxes.
Current tax shift from business to residential property	Due to less frequent change in ownership of business property and reassessment provisions of initiative, the current shift from business to residential property will be accelerated.	The current gradual shift of the property tax burden to residential property will be arrested.
Bonding capacity	General obligation and other bonds will become more costly and much more difficult to finance.	G.O. and other bonds will still be available for financing capital improvements; G.O. bonds will continue to require a 2/3 approval.
Redevelopment agencies	57% tax rate reductions and 2% per year AV growth limits will make tax increment financing infeasible.	Gradual rate reductions resulting from revenue limits will reduce receipts slightly; AV growth is not controlled and improvements within redevelopment areas are excluded from computations for establishing revenue limits.
Implementation	Becomes effective July 1, 1978 except for 2/3 Legislative voting requirement which becomes effective immediately.	Became effective March 3, 1978; affects local and state revenues starting July 1, 1978; will be repealed unless Proposition 8 is approved and Proposition 13 is defeated or declared unconstitutional.